



Billing Code: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

A-588-870

Chlorinated Isocyanurates from Japan: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (“the Department”) preliminarily determines that chlorinated isocyanurates (“isos”) from Japan is being, or is likely to be, sold in the United States at less than fair value (“LTFV”), as provided in section 733(b) of the Tariff Act of 1930, as amended (“the Act”). The period of investigation is July 1, 2012, through June 30, 2013. The estimated weighted-average dumping margins of sales at LTFV are listed in the “Preliminary Determination” section of this notice. Interested Parties are invited to comment on this preliminary determination. Pursuant to a request from Shikoku Chemicals Corporation, we are postponing for 60 days the final determination and extending provisional measures from a four-month period to not more than six months. Accordingly, we intend to make our final determination not later than 135 days after publication of this preliminary determination in the *Federal Register*.

EFFECTIVE DATE: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION: Julia Hancock or Jerry Huang, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1394 or (202) 482-4047, respectively.

## SUPPLEMENTARY INFORMATION:

On September 25, 2013, the Department initiated the antidumping duty investigation on isos from Japan.<sup>1</sup> Based on a timely request from Petitioners,<sup>2</sup> on February 10, 2014, the Department postponed the deadline for the preliminary determination by 50 days to April 14, 2014, pursuant to section 733(c)(1)(A) of the Act and 19 CFR 351.205(e).<sup>3,4</sup>

### *Scope of the Investigation*

The products covered by this investigation are chlorinated isocyanurates. Chlorinated isocyanurates are derivatives of cyanuric acid, described as chlorinated s-triazine triones. There are three primary chemical compositions of chlorinated isocyanurates: (1) trichloroisocyanuric acid (“TCCA”) (Cl<sub>3</sub>(NCO)<sub>3</sub>), (2) sodium dichloroisocyanurate (dihydrate) (NaCl<sub>2</sub>(NCO)<sub>3</sub> X 2H<sub>2</sub>O), and (3) sodium dichloroisocyanurate (anhydrous) (NaCl<sub>2</sub>(NCO)<sub>3</sub>). Chlorinated isocyanurates are available in powder, granular and solid (*e.g.*, tablet or stick) forms.

Chlorinated isocyanurates are currently classifiable under subheadings 2933.69.6015, 2933.69.6021, 2933.69.6050, 3808.50.4000, 3808.94.5000, and 3808.99.9500 of the Harmonized Tariff Schedule of the United States (“HTSUS”). The tariff classification 2933.69.6015 covers sodium dichloroisocyanurates (anhydrous and dihydrate forms) and trichloroisocyanuric acid. The tariff classifications 2933.69.6021 and 2933.69.6050 represent basket categories that include chlorinated isocyanurates and other compounds including an unfused triazine ring. The tariff

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<sup>1</sup> See *Chlorinated Isocyanurates From Japan: Initiation of Antidumping Duty Investigation*, 78 FR 58997 (September 25, 2013).

<sup>2</sup> Petitioners are Clearon Corp. and Occidental Corporation.

<sup>3</sup> See *Chlorinated Isocyanurates From Japan: Postponement of Preliminary Determinations of Antidumping Duty Investigation*, 79 FR 7643 (February 10, 2014).

<sup>4</sup> As explained in the memorandum from the Assistant Secretary for Enforcement and Compliance, the Department exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 1, through October 16, 2013. See Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Deadlines Affected by the Shutdown of the Federal Government” (October 18, 2013). The tolled deadline for the preliminary determination of this investigation was February 21, 2014.

classifications 3808.50.4000, 3808.94.5000 and 3808.99.9500 cover disinfectants that include chlorinated isocyanurates. The HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of the investigation is dispositive.

### *Methodology*

The Department conducted this investigation in accordance with section 731 of the Act. Export prices have been calculated in accordance with section 772(a) of the Act. Constructed export prices have been calculated in accordance with section 772(b) of the Act. Normal value has been calculated in accordance with section 773 of the Act.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum, which is hereby adopted by this notice.<sup>5</sup> The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("IA ACCESS"). IA ACCESS is available to registered users at <https://iaaccess.trade.gov>, and is available to all parties in the Department's Central Records Unit, located at room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

### *Preliminary Determination*

The Department preliminarily determines that the following weighted-average dumping margins exist:

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<sup>5</sup> See Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations "Decision Memorandum for the Preliminary Determination of the Antidumping Duty Investigation of Chlorinated Isocyanurates from Japan," dated concurrently this notice ("Preliminary Decision Memorandum").

Exporter/Producer	Weighted-Average Margin
Shikoku Chemicals Corporation	54.79 percent
Nankai Chemical Co., Ltd.	109.56 percent
All Others	63.71 percent

Pursuant to section 735(c)(5)(A) of the Act, the “All Others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely under section 776 of the Act. Specifically, this rate of 63.71 percent is based on a weighted average using each company’s publicly-ranged values for U.S. exports of subject merchandise. Because we cannot apply our normal methodology of calculating a weighted-average margin due to requests to protect business-proprietary information, we find this rate to be the best proxy of the actual weighted-average margin determined for these respondents.<sup>6,7</sup>

#### *Disclosure and Public Comment*

The Department will disclose the calculations used in our analysis to parties in this investigation within five days of the date of publication of this notice. Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the final verification report is issued in this proceeding and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later

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<sup>6</sup> See, e.g., *Certain Frozen Warmwater Shrimp From India: Final Results of Antidumping Duty Administrative Review, Partial Rescission, and Final No Shipment Determination*, 76 FR 41205, 41205 (July 13, 2011).

<sup>7</sup> See Memorandum to the File from Julia Hancock and Jerry Huang, Senior Case Analysts, Office V, Enforcement and Compliance, Subject: Chlorinated Isocyanurates from Japan: Calculation of All-Others’ Rate in Preliminary Determination (April 14, 2014).

than five days after the deadline date for case briefs.<sup>8</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties, who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using IA ACCESS. An electronically filed document must be received successfully in its entirety in IA ACCESS, by 5 p.m. Eastern Time within 30 days after the date of publication of this notice.<sup>9</sup> Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, the Department will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230, at a time and location to be determined. Parties should confirm by telephone the date, time, and location of the hearing. Interested parties are invited to comment on the preliminary determination of this investigation.

#### *Suspension of Liquidation*

In accordance with section 733(d)(2) of the Act, we will direct U.S. Customs and Border Protection ("CBP") to suspend liquidation of all entries of isos from Japan, as described in the "Scope of the Investigation" section, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*.

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<sup>8</sup> See 19 CFR 351.309(c) and (d).

<sup>9</sup> See 19 CFR 351.310(c).

Pursuant to 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit<sup>10</sup> equal to the preliminary weighted-average amount by which normal value exceeds U.S. price, as indicated in the chart above. These suspension of liquidation instructions will remain in effect until further notice.

*Postponement of Final Determination and Extension of Provisional Measures*

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise. 19 CFR 351.210(e)(2) requires that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to not more than six months.

On March 21, 2014, Shikoku Chemicals Corporation requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days (135 days after publication of the preliminary determination), and agreed to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a six-month period.<sup>11</sup> In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) our preliminary determination is affirmative; (2) the requesting producer/exporter accounts for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, we are postponing the final determination until no later than 135 days after the

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<sup>10</sup> See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

<sup>11</sup> See Letter to the Secretary of Commerce from Shikoku Chemicals Corporation, re “Chlorinated Isocyanurates from Japan: Shikoku’s Request to Postpone the Final Determination”, dated March 21, 2014.

publication of this notice in the *Federal Register*. Suspension of liquidation will be extended accordingly. We are also extending the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2) from a four-month period to a six-month period.

*U.S. International Trade Commission (“ITC”) Notification*

In accordance with section 733(f) of the Act, we will notify the ITC of our preliminary affirmative determination of sales at LTFV. Because the preliminary determination in this proceeding is affirmative, section 735(b)(2) of the Act requires that the ITC make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of isos from Japan before the later of 120 days after the date of this preliminary determination or 45 days after our final determination. Because we are postponing the deadline for our final determination to 135 days from the date of the publication of this preliminary determination, as discussed above, the ITC will make its final determination no later than 45 days after our final determination.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act.

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

April 14, 2014\_  
Date

## Appendix

### List of Topics Discussed in the Preliminary Decision Memorandum

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3. Scope Comments
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